

DEPARTMENT OF INSURANCE

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NOTICE

DATE: August 4, 2003

TO: All Admitted Insurers and Other Interested Parties

SUBJECT: California Department of Insurance Interim Schedule of Examination Fees for Fiscal Year (FY) 2003-04

Section 730 of the California Insurance Code (CIC) directs the Insurance Commissioner to conduct examinations of insurance companies for financial solvency and compliance with California State law. In accordance with CIC Section 736, all examinations are conducted at the expense of the insurer that is being examined.

The Fiscal Year (FY) 2003-04 examination rate schedule is currently being developed based on actual cost as required under CIC Section 12992. The FY 2003-04 examination rates are expected to be released during the Fall of 2003. Until the new rate schedule is completed, the California Department of Insurance will use the FY 2002-03 billing rates for examinations conducted after July 1, 2003. When the new rates become available, the Department will make an adjustment to compensate for any over or underpayment of examination billings in FY 2003-04. The FY 2002-03 rates to use on an interim basis for the FY 2003-04 are as follows:

- Financial Analysis Reviews, \$106/hour
- Field Examinations, \$106/hour
- Actuarial Reviews (Statisticians Only), \$106/hour
- Actuarial Reviews (Actuaries Only), \$273/hour
- Insurance Practice Examinations, \$88/hour

If you have any questions or concerns regarding the Schedule of Examination Fees, please contact Debra Schulze, Budget Analyst, Budget and Revenue Management Bureau at (916) 492-3285 or Robert Illa, Budget Manager, Budget and Revenue Management Bureau at (916) 492-3326.